



OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

BOZ/EXEC/DGO/bcps/bp

March 19, 2020

PSB Circular No. : 01/2020

To : All Electronic Money Issuers and Money Transfer Businesses

REVISION OF TRANSACTION AND BALANCE LIMITS FOR ELECTRONIC MONEY ISSUERS AND MONEY TRANSFER BUSINESSES

Pursuant to Section 43 of the National Payment Systems Act of 2007 and Section 17 of the National Payment Systems Directives on Electronic Money Issuance 2018, the Bank of Zambia would like to advise the upward revision of the transaction and balance limits for electronic money. The upward revision to the limits is intended to encourage increased use of digital financial services in the country. The following are the revised limits:

1. Transaction and balance limits on agents and corporate wallets have been removed; and
2. Transaction and balance limits for individuals, small-scale farmers and enterprises have been adjusted upwards as detailed in Schedule I, attached.

All electronic money issuers and money transfer businesses are required to abide by the revised limits in addition to Know-Your-Customer (KYC) requirements. Failure to comply with this circular will attract penalties and other regulatory actions in line with Section 43 of the National Payment System Act No. 1 of 2007.

In addition, all electronic money issuers and money transfer businesses should ensure that they have a robust risk management framework that takes into account, amongst others, the current anti-money laundering and countering terrorism financing (AML/CFT) measures. In this regard, all electronic money issuers and money transfer businesses remain bound by all other obligations of the National Payment Systems Directives on Electronic Money Issuance 2018.

This circular repeals and replaces PSB Circular No. 01/2016 and takes effect immediately.

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DEPUTY GOVERNOR – OPERATIONS

cc Governor
Deputy Governor – Administration
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Schedule I: Revised Transaction and Balance Limits

Type of Customer/ Client	Old Limit	New Limit Per Transaction Per Day (K')	New Maximum Balance (K')	Required KYC
Individuals Tier 1	10,000	20,000	100,000	Customer to provide formal identification document for verification, i.e. i. National Registration Card; or ii. Passport; or iii. Driver's License.
Individuals Tier 2	20,000	100,000	500,000	Customer to provide formal identification document as above (in Tier 1) KYC, plus: i. Proof of residence; or ii. Reference from an employer/professional; or iii. Confirmation in writing from a reputable person, such as, civic leader, headmaster, traditional ruler. Copies to be retained by Service Provider.
Small Scale Farmers/ Enterprises (not incorporated)	250,000	1,000,000	1,000,000	i. Formal ID document as in Tier 1, plus; ii. Reference letter/document from a Co-operative or any other registered grouping, such as, men's or women's group; or iii. Trade license showing nature of business, such as, fishing, carpentry, etc.
Agents	2,000,000	No Limit	No Limit	Full KYC. Service Provider is required to put in place a risk-based customer due diligence framework and set limits accordingly. The framework shall be subject to the Bank's approval.
Corporates	2,000,000	No Limit	No Limit	Full KYC. Service Provider is required to put in place a risk-based customer due diligence framework and set limits accordingly. The framework shall be subject to the Bank's approval.